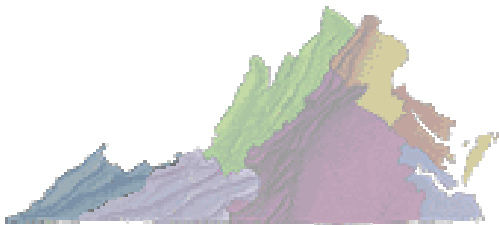




# **Funding Source for Broadband Deployment**

**Governor's Broadband Roundtable  
September 1, 2008**

*"Service and Results"*



1111 E. Main Street  
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Richmond, VA 23219

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[www.VirginiaResources.org](http://www.VirginiaResources.org)



## Virginia Resources Authority – Overview

- Created by Virginia General Assembly in 1984
- Nearly 25 years of underwriting experience
- Provide low interest loans to municipalities
- Finance municipal facilities, equipment & infrastructure, including:

**Broadband**



## **VRA Credit and Security**

- **VRA performs loan underwriting for all programs**
  - Assess general economic conditions
  - Analyze locality/authority operations & historical financial data
  - Evaluate project, revenue projections & debt coverage
- **Security tailored to project and locality**
  - Revenue pledge
  - General obligation
  - Double barrel
  - Lease
  - Moral obligation
  - State aid intercept



## Program Ratings

- **VPFP Bonds**
  - Senior Series rated Natural “Aaa/AAA” by Moody’s & S&P
  - Subordinate Series rated Natural “Aa2/AA” by Moody’s & S&P



## **Value Added Benefits Delivered**

- ***Virginia Pooled Financing Program***
  - Expedite vital projects with low-cost financing
  - Flexible, customer-friendly funding source
  - Natural “AAA/AA” interest rates
  - No extra credit enhancement costs
  - No reserve fund
  - Economies of scale & shared issuance costs
  - \$718MM financed for 57 borrowers FY2003 – FY2008



## **Value Added Benefits Delivered**

- ***Equipment & Term Financing Program***
  - Enhanced option for 3 – 15 year terms
  - Low rates with statewide “master contract”
  - Flexible terms
  - Ease of use & convenience
  - Ideally suited for:
    - Police & fire equipment
    - Solid waste transfer stations
    - Communications equipment



## Impact of VRA Tools

- **Benefit to Commonwealth**
  - Promote broadband deployment
  - Expedite projects with flexible & timely financing options
  - Enhance economic vitality & quality of life for Virginia's communities
  - Facilitate essential projects with low-cost financing



## Broadband Deployment Tools

- **Benefit to Localities**
  - Facilitate public private partnerships
  - Funds available when needed
  - Flexible, customer-friendly funding source
  - Proven financing resource
    - Over 250 counties, cities, towns & authorities are VRA borrowers





## **VRA Team – Experience and Dedication**

**Sheryl D. Bailey, Ph.D.**

Executive Director

**Mary B. Barnes**

Director of Financial Services

**Brian D. DeProfio**

Director of Administration & Finance

**Jean F. Bass**

Senior Program Manager

**McGuireWoods, LLP**

Bond Counsel

**Davenport & Company, LLC**

**Strategic Solutions Center**

Co-Financial Advisors

**U.S. Bank**

Trustee

- **Superb customer service**
- **Immediate response**
- **Continuous communication**
- **Long-term relationships**